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080939Z Oct 03

UNCLAS HALIFAX 000329

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: PGOV ECON AEMR MOPS CA

SUBJECT: PICKING UP THE PIECES AFTER HURRICANE JUAN

REF: HALIFAX 308

SENSITIVE BUT UNCLASSIFIED -- PROTECT ACCORDINGLY

**¶1.** (U) Nine days after Hurricane Juan, life in Nova Scotia and Prince Edward Island has largely returned to normal, although several thousand people still remain without power in a number of hard-hit areas, including some near the center of Halifax. While Juan's human toll was relatively small -- two deaths directly attributable to the storm and three indirectly caused when a candle started a fire in a house without electricity -- the economic impact is still being added up. Premier John Hamm told the provincial legislature that he expects the damage toll to be in the range of C\$100 million (US\$75 million), although that number could well climb as more detailed assessments are made. The Royal Bank's Senior VP responsible for Atlantic Canada, Wayne Bossert, told Consul General that the overall effect of the storm on regional GDP growth could be slightly positive, with business and farm losses more than counterbalanced by the stimulative effect of rebuilding efforts.

In Bossert's view the level of insurance coverage will ultimately determine whether Juan adds or subtracts a percentage point or so from Atlantic Canada's economic growth rate for the year.

**¶2.** (U) Harder to assess and repair than damage to homes, farms and businesses will be the impact on the ambience and quality of life in Halifax, Charlottetown and other areas caused by the wholesale uprooting of trees. Halifax's Point Pleasant Park, for example, was transformed overnight from a leafy refuge to a tangle of downed hardwoods. News coverage does not really capture the full extent of the damage done to parks and some of the city's older tree-lined neighborhoods. While wood carvers may see a silver lining to the storm due to abundant supplies of timber in the near term, the vast majority of residents and visitors will be worse off until new maples and oaks have had time to grow and replace those that have been lost.

**¶3.** (SBU) Politically, the seeming indifference of Ottawa to the effect of the storm on Nova Scotia and PEI could exacerbate a feeling in the Atlantic Provinces that no one in the rest of Canada pays much attention to what goes on here. Liberal leader-to-be Paul Martin visited Nova Scotia shortly after the hurricane, but the absence of senior government officials and particularly the Prime Minister has been -- fairly or not -- noted and commented on unfavorably. On the positive side, the cleanup efforts of hundreds of Canadian military personnel have gone down well with the general public, as has the work of power line and tree trimming crews from Maine. There have even been reports of arriving cruise ship passengers -- many from the U.S. -- volunteering to help with cleanup efforts.

**¶4.** (U) CONSULATE OPERATIONS: Response of Consulate staff to this crisis has been outstanding. The office fortunately suffered no damage in the storm and we were able to open to the public on September 30 after power was restored. Staff members -- many of whom had no electricity at home for much of the week -- skirted fallen trees and downed power lines to get into work; we have been operating at full strength since October 1.

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